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C O N F I D E N T I A L SECTION 01 OF 04 YEREVAN 001961

SIPDIS

DEPT FOR EUR/SNEC, EUR/CACEN

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SUBJECT: GOAM HAS NO MANDATE TO RESOLVE N-K, ARMENIAN CIVIL SOCIETY TELLS A/S FRIED AND AMB. MANN

REF: YEREVAN 1842

Classified By: Amb. J.M. Evans for reasons 1.4 (b,d)

SUMMARY:

11. (C) During an October 18 breakfast with EUR A/S Fried and Ambassadors Mann and Evans, representatives of Armenian civil society were extremely skeptical about the implementation of a Nagorno-Karabakh (N-K) peace agreement. While there was some divergence of opinion, the majority of the representatives argued that any agreement on N-K would lack public legitimacy because the GOAM is "illegitimate." The group also expressed concern about corruption and censorship in Armenia and said that democracy in the country is deteriorating. A/S Fried emphasized the USG's strong support for democratic reforms, but argued that dismissing a possible solution on N-K achieved by the Kocharian government "does not make sense."

Participants:

EUR Assistant Secretary Fried Ambassador John Evans Ambassador Steven Mann EUR/SNEC Deputy Director Elizabeth Rood Yerevan Pol/Econ notetaker

Avetik Ishkhanian, Helsinki Committee Tigran Ter-Yesayan, International Union of Advocates Artak Kirakossian, Civil Society Institute Gagik Avakyan, Caucasus Forum NGO Harutyun Hambardzumian, It's Your Choice NGO Amalia Kostanian, Transparency International Larisa Minasian, Open Society Institute

End Summarv.

CIVIL SOCIETY: ILLEGITIMATE GOAM HAS NO MANDATE TO RESOLVE

- $frac{1}{2} extcolor{1}{2}$. (C) Ambassador Mann began the October 18 meeting by asking how prepared the Armenian public is for a post-conflict now prepared the Armenian public is for a post-conflict society. He provided an overview of current N-K negotiations, saying that "considerable progress" had been made and that the negotiations are "headed in the right direction." Mann told the group he had come to the point where he believed a deal is possible, but that "the odds are always against agreement." He said there is a "qualitative difference between the spring of 2004 and fall of 2005." difference between the spring of 2004 and fall of 2005.
- $\P 3.$ (C) The Helsinki Committee's Avetik Ishkhanian said the Armenian people are "tired of the conflict," but still care about the N-K issue. He told Ambassador Mann "the Armenian people would like to have the conflict resolved as soon as possible so long as the resolution does not hurt their dignity." He outlined two possible ways to implement a peace agreement. First, if the government is a tyranny, it can force the people to accept the agreement. Second, if the government is a democracy with the full support of the people, then the public will accept the peace agreement. Armenia, Ishkhanian said, is neither a tyranny nor a democracy. Therefore, any solution to the N-K conflict will mean the "end of the government." He said when Armenians talk about democratic development and free elections, they are talking about steps that would lead towards the second, democratic option, whereby the government would have a mandate to solve the $\mbox{N-K}\xspace$ issue.

NO SOLUTION UNTIL AFTER 2008 PRESIDENTIAL ELECTION

 $\P4$. (C) International Union of Advocates Head Tigran Ter-Yesayan agreed with Ishkhanian's assessment and said the residential election. He described the GOAM as a "hybrid government, while one person has the power, there are other influences that he does not control." He explained that the oligarchs who control the GOAM do not have the confidence of the country and, therefore, the GOAM "cannot solve an issue as important as N-K."

MANN EXPLAINS THE TIMELINE AND EMPHASIZES IMPLEMENTATION

15. (C) Ambassador Mann described the timeline for the negotiations as "very tough." He said that if there is "no serious progress in 2006 it won't happen until 2009, because of the 2007 Parliamentary elections in Armenia and the 2008 Presidential elections in both countries." Citing the co-chairs, he said "time is not on anyone's side." Mann explained when he talks with Azeris he tells them "the longer you wait, the more Armenia literally and figuratively digs in." The Armenians develop infrastructure in N-K and international attention will drift, as it has in Kashmir, Mann said. Mann said he also argues that "stalemate breeds radicalism." Ambassador Mann said Azeri President Aliyev is a "fundamentally reasonable person. He can be tough in his negotiating positions, but is still a reasonable person. If there is no progress in the next ten to fifteen years, we do not know what kind of leadership there will be in Azerbaijan." He explained that in the coming year Azerbaijan plans to double its defense budget and he expects this trend to continue. While a military solution will not bring the situation back to pre-1998, Mann said, these types of defense budget increases "can cause a lot of trouble." He clarified, "this is not going to be a situation where people sign a paper and then all is perfect. Implementation is going to be a critical issue."

FROM SELF DETERMINATION TO TERRITORIALITY

- 16. (C) Civil Society Institute's Artak Kirakossian said the Armenian perspective on the conflict had changed, particularly in terms of the "security zone" around N-K. According to Kirakossian, previously Armenians viewed the N-K conflict in terms of self-determination. Now, as a result of the Azeri focus on territorial integrity, Armenians view the conflict as a territorial issue. Kirakossian also said Armenians were not accustomed to win/win solutions and NGOs needed to help the public understand that idea. He said money cannot impact the resolution of the conflict, "even billions of dollars may not contribute to a solution because this issue is an issue of dignity." He speculated that financial support for the peace process might also increase corruption.
- 17. (C) Mann said he covers three other conflicts, South Ossetia, Abkhazia and Transnistria, and when he goes to Baku he is asked why he is a such a strong defender of territorial integrity for Georgia and Moldova, but is willing to talk about "giving Azeri land to Armenians." Mann summarized the U.S. position as being support for territorial integrity, while taking into account the wishes of the people of the region.

THE GOAM USING N-K TO GAIN POLITICAL ADVANTAGE

- 18. (C) Larisa Minasian from the Open Society Institute (OSI) cautioned that the N-K issue is "the most manipulated in the public mind." She suggested that it would be useful to have more "public discourse or discussion about what is at stake." She recalled a speech given at an OSI conference in Key West in 2000 where the question was "how to sell the peace to the public." She noted "we are again at the same point," and suggested that the international community needs to learn what went wrong in 2000 so as to avoid repeating the same mistakes.
- 19. (C) The Caucasus Forum's Gagik Avakyan said "if the government, in 2006, gives back the occupied territories this may guarantee them another term in office, but it will cause mass violence in Armenia." (Note: The implication of his remark was that the GOAM will make concessions to the international community on N-K in exchange for assurances that current authorities will remain in power. End Note.)
- 110. (C) At the close of the meeting Ambassador Mann said without progress or an agreement on N-K "things will get worse and you have to ask if you are prepared to fight another war." He asked the participants if an agreement does emerge, that they judge the agreement on its terms, not on the basis of which government signed the agreement. A/S Fried pointed out the inconsistency in the participants' remarks, saying "it does not make sense to argue that a possible solution lacks legitimacy if a non-democratic regime supports it, and at the same time, argue that the conflict prevents the establishment of a democratic regime."

111. (C) EUR Assistant Secretary Fried, Ambassador Evans and Elizabeth Rood joined the meeting in progress. A/S Fried said Secretary Rice asked him to come to Armenia because "Washington has the sense that history is accelerating in this part of the world, hopefully for the good, but not necessarily." He said "reformist forces and democratic forces are growing and strengthening, and so too, perhaps, are anti-reformist forces." Fried continued, saying "maybe too much is made of the so-called colored revolutions. America does not believe in revolution, although we do believe in democracy." Fried mentioned the Constitutional Referendum and said he wanted to listen to the group's opinions about where Armenia is headed and what he ought to know before meeting with President Kocharian.

A MOVE TOWARDS REGIONALISM?

12. (C) The Caucasus Forum's Avakyan said "we cannot expect any progress (on N-K) until 2008-2009 because that is when Armenia will have a legitimate government." He described the period between today and a possible resolution of the N-K conflict in 2009 as a "lost period," and suggested that during the intervening years, the parties should focus on regional integration within the South Caucasus including South Ossetia and Abkhazia. He said he believes the conflicts in N-K, Abkhazia, and South Ossetia will be resolved at the same time. He added he was glad to hear that the U.S. does not believe in colored revolutions because he has not seen big changes as a result of such revolutions.

CORRUPTION REMAINS A SERIOUS PROBLEM

13. (C) Amalia Kostanian from Transparency International (TI) noted that the TI corruption perception index for 2005 was scheduled to be launched later that day. She said that the South Caucasus and CIS countries were ranked poorly, and "even countries which had experienced colored revolutions have not made visible progress." She questioned whether the GOAM would be interested in peace if "conflicts are a good excuse for suppressing freedom of speech and keeping the state machinery non-transparent." Responding to Fried's mentioning of the Constitutional Referendum, she said the GOAM, under pressure from the international community, had to make amendments to the constitution but, even if the amendments lead to improved checks and balances within government, the process was poor. She said that the amendment process was "driven by the authorities not the public." Given that the current local elections are "absolutely corrupt," she doubted that the electoral system could be improved before the Referendum vote on November 27. She did not agree conditions for peace in N-K would be more favorable in 2009. "Who can guarantee that in 2009 we will have a more legitimate government?" she asked. She stated "we do not see progress," and observed "the President in Georgia came to power with an anti-corruption program but also with nationalistic ideas and so there has been no progress under that regime.

THE INTERNATIONAL COMMUNITY PLAYING FAVORITES?

- 114. (C) Kostanian said public opinion would be against any solution in N-K because the public perception was that the international community favors the "other side." She claimed the public believes the international community is favoring Azerbaijan because of its oil and gas reserves and Georgia because of its poor relationship with Russia.
- 115. (C) At the close of the meeting, A/S Fried said he is "glad that Armenia has historically good relations with Russia." The Armenian example, according to A/S Fried shows that good relations with the West and with Russia do not necessarily conflict.

DEMOCRACY IS DETERIORATING

116. (C) Ter-Yesayan said that N-K is not the main problem; the problem is "that a system of values is being ignored by people trying to get power. We live in a centralized, corrupt country where the judiciary, local government and the media are all censored," he said. According to Ter-Yesayan, this corruption endures because Armenia is a small country and because powerful countries provide support for the existing structure. He cited the support Russia and France gave to Kocharian following the 2003 Presidential election as an example. He said the public is tired and, "since the

events of 2004, also scared. If the population is 2.5 million and three to four thousand are detained, that is a big proportion, particularly if another ten thousand are being told you will be next."

- 117. (C) Larisa Minasian added that over the past four to five years the quality of democracy in Armenia has "deteriorated," despite progress in "the written documents." She said the GOAM is learning "how to make a pretense of reform and that the international community, including the Council of Europe, is indirectly a part of this process. The government is manipulating and getting away with it, so they have come to learn that you can cheat during the reform process."
- 118. (C) Ishkhanian said there was no possibility of evolutionary development in Armenia. He mentioned a case where a mayor killed someone and no one appeared to care (reftel). He suggested that A/S Fried discuss freedom of speech with Kocharian and encourage Kocharian to reopen the local media station, Al-plus.

A/S FRIED: "DON'T KNOCK PRETENSE"

- 119. (C) Fried said he does not believe in revolution because revolutions are an indication of failure. He continued, "sometimes when there is a failure, like Georgia or Ukraine, it can lead to democracy, but it can also move the other way. We much prefer reform led by a government, even if it is not fully democratic yet." He added, "I will say this for colored revolutions, they have frightened every non-democratic government in the region and they also seem to have frightened Russia." Citing the example of President Mubarak in Egypt, A/S Fried said "don't knock pretense. If the government has to pretend, sometimes the pretense gets out of control." He clarified that the U.S. does not believe in revolution, we believe in democracy. A/S Fried said "we do not believe in supporting dictators who promise stability," and gave the example of the recent setback in U.S. relations with Uzbekistan's President Karimov as evidence of that position.
- 120. (C) In conclusion, A/S Fried said "if history is accelerating that gives you an opportunity for change. My sense, as an outsider, is that populations do not want to live under corrupt regimes. This may mean that even if the situation is deteriorating, the language may be turning in your favor, giving you an opportunity to push a democratic agenda." Ishkhanian thanked Fried for consulting civil society and Fried replied "civil society is less irrelevant than its members may think. Solidarity (in Poland) used to be thought of as the people who had dinner at the Ambassador's Residence."
- 121. (U) EUR/FO has cleared this message.